Recession in SSI sector

2073. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government are aware that many small scale industrial units are facing unprecedented recession; and

(b) if so, what steps are taken by Government to revive small scale units and to boost their performance?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) While the annual growth rate of Small Scale Industries (SSIs) Sector declined from 8.23 per cent in 2000-01 to 6.08 per cent in 2001-02, the same is estimated to have increased to 7.41 per cent in 2002-03. The downtrend in 2001-02 could be partly due to overall recessionary trend in the industrial sector.

(b) To strengthen and enhance the competitiveness of the SSI Sector, both domestically and globally, the Government has taken various measures, which include enhancement of working capital limit computed on the basis of minimum of 20% of annual projected.turnover from Rs. 4 crore to Rs. 5 crore, enhancement in composite loan limit from Rs. 10 lakhs to Rs. 25 lakhs, raising of project cost limit under National Equity Fund Scheme from Rs. 25 lakhs to Rs. 50 lakhs, revision in eligible loan limit for coverage under Credit Guarantee Scheme from Rs. 10 lakhs to Rs. 25 lakhs, introduction of Laghu Udyami Credit Card (LUCC) Scheme, issuance of revised guidelines for rehabilitation of sick SSI units and revival of potentially viable units, by the Reserve Bank of India on 16th January, 2002, etc. Further, in accordance with the announcement made in the Union Budget 2003-04, the Indian Banks' Association has advised all its member banks to adopt an interest rate bank of 2 per cent above and below Prime Lending Rate (PLR) as announced by the State Bank of India. Banks have also agreed to further raise the composite loan limit from Rs. 25 lakhs to Rs. 50 lakhs.

† Original notice of the question was received in Hindi.